

**SCOTTSDALE TOURISM DEVELOPMENT COMMISSION
CITY OF SCOTTSDALE
PINNACLE CONFERENCE ROOM
7575 EAST MAIN STREET
SCOTTSDALE, ARIZONA
DECEMBER 16, 2003
MINUTES**

PRESENT: Tom Morrow, Chairman
Shaun Robinson, Vice Chairman
Margaret Dunn, Commissioner
Jerry Gleason, Commissioner
Sally Shaffer, Commissioner
Ned Sickie, Commissioner

STAFF: Kathy O'Connor
Rebecca Eickley
David Roderique
Valentin Hernandez

OTHERS PRESENT FOR ALL OR PORTIONS OF THE MEETING:

Brent DeRaad
Maria Pieterick
Davida Schiffman Smith
Randy Nussbaum
Larry Person

CALL TO ORDER

Chairman Morrow called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:05 a.m.

ROLL CALL

A formal roll call confirmed members present as stated above.

APPROVAL OF MINUTES

A MOTION WAS MADE BY VICE CHAIRMAN ROBINSON TO APPROVE THE MINUTES OF THE NOVEMBER 18, 2003 MEETING MINUTES AS PRESENTED. THE MOTION WAS SECONDED BY COMMISSIONER DUNN AND PASSED UNANIMOUSLY.

SAN FRANCISCO GIANTS SPRING TRAINING PRACTICE FACILITY

Ms. Eickley presented information on the proposed new Giants Spring training practice facility. She provided a brief review of the proposed plan. She outlined the problems associated with the current facility noting there are security concerns for the players because they have to share the facility with the public.

Ms. Eickley reported that Ms. O'Connor put together an economic analysis based on an independent survey done on last year's Spring training. The analysis indicates that Spring training is an economic benefit to the City and in the month of March generates approximately \$13,500,000.

Ms. Eickley stated the main concerns with the neighbors are regarding loss of views and traffic.

Ms. Eickley presented information on financing options for the project.

She remarked they are hoping the Commission would send a letter of recommendation to the Council stating from the tourism perspective this is good for the City.

Chairman Morrow inquired if they would be requesting bed tax funds. Ms. Eickley replied in the negative.

Commissioner Shaffer inquired about the timeline if this is approved when they would move into this facility. Ms. Eickley replied they had hoped to have the facility available for the March '05 spring training, but Spring '06 is a more reasonable expectation.

Ms. O'Connor stated the object of this presentation is to determine whether the Commission wants to support the City's efforts and would make a motion to that affect, and then she would draft a letter for the Chairman's signature. She remarked the major points would include:

- Prior investment Scottsdale has made to the Cactus League through stadium financial investment.
- The financial benefits both direct and indirect based on the \$13 million impact in March that yields almost \$300,000 in tax revenues.
- The residual benefits of Cactus League activities in March.
- The overall impact of spring training and the people it brings here.
- The message it sends is extremely important to the year-round efforts for tourism development.

Ms. O'Connor reported there was a study done in March that indicated the Giants fans are the highest spending in the Cactus League so clearly they have the golden goose.

COMMISSIONER SICKLE MOVED THAT THE TOURISM DEVELOPMENT COMMISSION SHOW THEIR SUPPORT OF THE SAN FRANCISCO GIANTS TRAINING PRACTICE FACILITY THROUGH A LETTER OF SUPPORT AND RESOLUTION TO THE CITY COUNCIL. SECOND BY COMMISSIONER SHAFFER.

Commissioner Dunn stated she felt it would be beneficial for the Giants and the team owners to see their resolution so they are aware that the Tourism Development Commission supports the training facility so they will know how important they are to the tourism community. Ms. Eickley stated that is a great suggestion.

Chairman Morrow stated the press should also be made aware of the resolution.

Chairman Morrow called for the vote.

THE MOTION PASSED BY A VOTE OF SIX (6) TO ZERO (0).

Ms. O'Connor announced that Ms. Eickley is leaving the City and that this would be her last meeting. She thanked Ms. Eickley for all of her efforts on behalf of the Commission noting that she has been a tremendous resource.

SOL FEST RESOLUTION

Randy Person, City of Scottsdale Environmental Officer, reported Sol Fest and EnviroKids Fest would be held on the same weekend in April.

Randy Nussbaum, City of Scottsdale Environmental Quality Advisory Committee, presented the Commission with a copy of the 2002/2003 Indicators Report. He noted the Indicators Report is organized into three categories: environmental, economy and community with a total of 34 indicators. He further noted they believe this report would be very helpful in providing guidance to the Tourism Development Commission.

Mr. Nussbaum stated the Environmental Quality Advisory Board is requesting support of the solar focused earth day celebration at West World in April 2004. He further stated Sol Fest is scheduled for April 17 & 18 and EnviroKids Fest is on April 16th. He reported the Kids Fest was developed to provide the City of Scottsdale with the opportunity to educate students on crucial environmental issues. There will be 2,000 to 3,000 students at the event.

Mr. Nussbaum stated they are hoping the Commission would adopt their resolution of support. He further stated he felt this event would be good for the city and good for tourism.

Ms. O'Connor reported a copy of the resolution was supplied in the Commission packet.

Chairman Morrow inquired if staff was in agreement with the resolution. Ms. O'Connor replied in the affirmative.

COMMISSIONER SICKLE MOVED TO SUPPORT THE RESOLUTION OF SUPPORT AS PRESENTED IN THE DOCUMENT CONTAINED IN THE COMMISSION PACKET. SECOND BY COMMISSIONER DUNN AND PASSED UNANIMOUSLY.

SCOTTSDALE CONVENTION & VISITOR'S BUREAU UPDATE

Mr. DeRaad provided a brief update on the progress of the Rock 'N' Roll Marathon. He reported the latest figures they have received indicated there are 24,000 entries noting that 10 percent probably would not run.

Mr. DeRaad reported the bookings are slower this year for the Fiesta Bowl but they still believe they are on course to bring some 50,000 people to Scottsdale.

Ms. Pieterick provided an update on the progress made by the Task Forces that were appointed by their Board of Directors.

VISITOR INQUIRY STUDY

Ms. Pieterick reported the five-year contract on the Visitor Inquiry Study is coming to an end and they need to make the decision whether to continue with the study. She provided a brief overview of the analysis. She stated what Ms. O'Connor is proposing to continue for one more year with the traditional study so that they don't lose site of traditional inquiry through the telephone or mail and simultaneously build a web site conversion study, which they believe the CVB would conduct in house. The idea is not to lose trending while they build a new level of evaluation the following year. There would probably be a synergy between the two and a new report would be conducted.

Ms. O'Connor stated that she did not want to abandon the old before they had a solid basis to go to the next phase.

Chairman Morrow inquired if staff was suggesting they extend the contract for one year and if so at what cost. Ms. O'Connor replied in the affirmative noting that the current five-year contract was for \$10,000 but she would need to inquire about what they would charge for an additional year.

Vice Chairman Robinson inquired what the web based study would tell them that they don't already know. Ms. Pieterick stated that they would include more questions on this study. It is to give them a sense of the value of customer they are attracting to the web site. She further stated they are proposing this year they run two parallel programs and

next year's proposal will measure the two types of studies. Ms. O'Connor stated this would allow them to determine whether they continue to hit the right markets.

Commissioner Sickel stated with regard to the competitive set what are the distinction between North San Diego County and the familiar downtown area. He further stated that Las Vegas is identified but is not available in the Smith Travel data. Mr. DeRaad stated North San Diego County refers to La Jolla. Ms. Pieterick stated that Las Vegas was not on the original list because of Smith Travel limitation but what they asked them to look at other data to help them understand activities in that market. This project is a measuring tool to help them understand what competitors markets are doing.

Commissioner Dunn stated the Rock 'N' Roll marathon registration questionnaire asked some real pointed questions about the participants and she felt they could use that as a model to obtain demographic information from future events.

RETREAT FOLLOW-UP

Ms. O'Connor stated yesterday she emailed the commissioners a memo regarding information on event funding grant programs other cities use.

Ms. O'Connor introduced Valentin Hernandez from the Economic Vitality Department who will be assisting them with Commission projects. She reported he would be taking the lead on some of the retreat follow-up projects.

Ms. O'Connor inquired if any of the commissioners had any comments or additions to the retreat follow up notes. She noted that this is a working document. Commissioner Gleason stated he felt the follow up notes were well done and thorough and put their plans into an action format.

Ms. O'Connor provided a brief review of the objectives contained in the follow-up report. She stated the mission for today would be to ask questions regarding the memo on future event funding programs. She further stated they would probably need to schedule a follow-up study session prior to the January 20th meeting or they could have a separate meeting prior to the regular meeting. She noted that it would probably take a couple of sessions to come up with a process they can live with.

Commissioner Gleason stated he felt that funding should be used to get an event started as opposed to continuing to fund an event after it is successful. He further stated he felt they could learn something from other cities since the commission knows their system is broken and needs to be fixed.

Chairman Morrow commented on the problem of how to determine the results regarding the number of room nights for any given event. Ms. O'Connor stated the cities struggle with the issue of how reliable the information is that is provided and how to quantify it. She noted there are some issues that were discussed at the retreat that have not been

explored yet such as measuring credit card spending. One municipality in the absence of room nights will calculate the media value.

Chairman Morrow stated he felt encouraging self-sufficiency would be a good goal to have those successful people act self-sufficient and not depend on the city for things.

Commissioner Dunn stated that this money should not be looked at just to increase the bottom line and put a few extra dollars in the producers' pockets that it should be used to better enhance the destination.

Mr. Roderique stated in the past the commission has talked about instead of giving a check to the event that they give them a credit, and the money goes to the CVB, and they can draw against the credit for advertising. Commissioner Dunn stated she would suggest they take that partnership with the CVB one step further and require the event to use the "Scottsdale, bring passion to life" logo on every ad that goes out. She further stated she would be willing to work with the CVB on this issue. She noted that the CVB has buying power.

Chairman Morrow stated that historically they provide the funding in advance. He inquired if that is how other communities allocate the funding. Ms. O'Connor noted that a portion is paid up front and a portion after the event.

Chairman Morrow stated he felt they should be able to see a return on their investment. He further stated they need to determine how they should approach moving forward. Mr. Roderique stated this is not something that can be solved at this meeting that they need to look at a half-day work-study session.

Mr. Roderique stated, as they discussed at the retreat, there is the opportunity to approach City Council and talk about looking at a higher percentage of the bed tax coming to the TDC program. He further stated they are in the midst of doing the budget decisions packet so this would be the time to put something together on this issue. The consensus of the Commission was for staff to start the process. Mr. Roderique stated because of the timing they need to start the process but they don't have all of the specifics yet and they would provide the Commission with a more detailed plan. They can add an addendum with further justification later in the process.

The Commission decided to hold a work study session prior to the January 20th meeting from 7:00 a.m. to 11:30 a.m.

Commissioner Sickie thanked Ms. O'Connor for all her hard work this year noting that she has done a great job in terms making the transition with Mr. Wetzel, leading the retreat, and providing ongoing staff support. Ms. O'Connor thanked the commissioners for all of their hard work and dedication.

(Commissioner Dunn and Commissioner Sickie left at 9:50 a.m.)

ADMINISTRATOR'S REPORT

Ms. O'Connor provided information on monthly collections of city bed tax revenues. She noted they are up two percent for the fiscal year.

Ms. O'Connor stated that per the by-laws the commission will need to elect the Chair and Vice Chair at the January meeting.

UPCOMING EVENTS AND COMMISSION BUSINESS

Chairman Morrow reported the next regularly scheduled meeting would take place, Tuesday January 20, 2004.

PUBLIC COMMENTS

Davida Schiffman Smith stated she worked as a volunteer for the City's Holiday Harmony event put on by the Parks and Recreation Department. She further stated this event brought a lot of the community and visitors to the downtown. She noted she has heard many times that the reason people come to Scottsdale is because they want to be included in the lifestyle we are blessed with so they need to continue to capture and share that goodness with people who come here and not become a tourist trap. She reported the equestrian industry has become frayed and disoriented. She further reported the City must have services available to the equestrian community.

ADJOURNMENT

The meeting concluded at 10:00 a.m.

Respectfully submitted,

"For the Record" Court Reporters.